

ASX ANNOUNCEMENT

5 September 2016

RESULTS OF NON RENOUNCEABLE RIGHTS ISSUE AND INCREASE TO PLACEMENT AMOUNT

The Directors of Kalina Power are pleased to announce that due to strong demand from investors they expect to raise a total of \$8.48 million in the recently announced financings.

On 3 August 2016 Kalina Power Limited announced it had resolved to raise approximately \$7,300,000 via a placement for \$1,800,000 and a non-renounceable rights issue of up to approximately \$5,500,000 (the "Rights Issue"). The Rights Issue closed on 1 September 2016. Given strong investor appetite the Company's directors have determined to increase the amounts raised as set out below:

- \$4,727,363 from the shortfall under the Rights Issue which is being placed with underwriters and to sophisticated and professional investors, predominantly clients of Hartleys Limited. The Company's two largest shareholders have taken 60% of the Rights Issue via the underwriting;
- \$835,209 from shareholders in the Rights Issue;
- \$1,800,000 from the Private Placement announced on 1 August 2016; and
- An additional Private Placement of \$1,125,000.

As previously indicated, the Company is seeking shareholder approval on 8 September in order to complete the total fundraising.

The Directors believe the additional fundraising is appropriate to provide further working capital so that Kalina Power is better funded to aggressively implement its new business plan for the international deployment of the Kalina Cycle.

Results of the Rights Issue

The number of entitlements accepted by shareholders was 16,704,175 (\$835,209) representing 15% of the ordinary shares of the Company ("Ordinary Shares") on offer. This includes shareholders applying for additional Ordinary Shares.

The shortfall under the offer is 94,547,265 Ordinary Shares.

It is anticipated that the Shares and Options for the Rights Issue, shortfall (other than to the underwriters) and Placement will be completed on or before Monday, 12th September. The issue of Shares and Options to the underwriters is anticipated to be completed on Tuesday, 13th September.

For further information, please contact:

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